

1145

BK 435PG 238

INSTRUMENT PREPARED BY
VIRGINIA GAS AND OIL BOARD

ORDER RECORDED UNDER CODE
OF VIRGINIA SECTION 45.1-361.26

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING DOCKET NO. VGOB 06/07/18-1679

ELECTIONS, UNIT: VC-536260

(hereinafter "Subject Drilling Unit")

TAX MAP IDENTIFICATION NUMBERS:

TAX MAP IDENTIFICATION NUMBERS FOR ALL PARCELS
AFFECTED BY THIS ORDER ARE SHOWN ON EXHIBIT (S) -
B WHICH IS/ARE ATTACHED TO AND A PART OF THIS
ORDER.

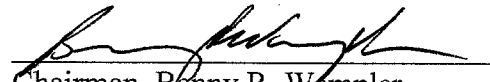
REPORT OF BOARD

FINDINGS AND ORDER

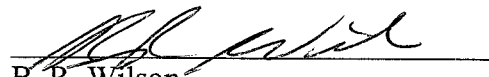
1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992, at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirement of the Virginia Gas and Oil Board Regulations, 4 VAC 25-160.70C by supplementing the Order previously issued by the Board for subject Docket on November 15, 2006 and recorded in Deed Book 432, Page 357 in the Office of the Clerk of Circuit Court, Dickenson County, Virginia on November 30, 2006, (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interest in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, § 45.1-361.1 et seq., Virginia Code, 1950 as amended.
2. Findings: The Board finds that:
 - (a) The Board Order directed Equitable Production Company, (herein the Designated Operator"), to mail copies of the Board Order to all respondents whose interest, if any, were pooled by said Board Order;
 - (b) The designated operator filed its affidavit of mailing dated December 20, 2006, disclosing that it had mailed a correct copy of the Board's Order to all Respondents whose interest, if any, were pooled by said Board Order;

- (c) The Board Order required each Respondent whose interest, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the Designated Operator has filed its affidavit dated February 1, 2007, in accordance with § 7.C of the Virginia Gas and Oil Board Regulations and 4 VAC 25-160.70C (herein "Affidavit of Election"), wherein it has, for each Respondent whose interest, if any, were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election made, if any; (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interest, estates and claims in Subject Drilling Unit to the Designated Operator;
 - (d) The Board Order further required the Designated Operator, after expiration of the election period, to file with the Board a statement of the interests subject to escrow under the terms and provisions of the Board Order, in light of the elections made or deemed to have been made (herein "Statement of Interests"); that the Designated Operator furnished said Statement of Interests as part of its Affidavit of Election. A copy of which is attached hereto as Exhibit B;
 - (e) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, Wachovia Bank, N.A., VA7515, P.O. Box 14061, Roanoke, VA 24038, (540) 563-7764, Attn: Judy Barger, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow. Current Board escrow standards were made applicable to Subject Drilling Unit by a Board Order dated December 23, 1992.
3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2 above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, Wachovia Bank, N.A., VA7515, P.O. Box 14061, Roanoke, VA 24038, (540) 563-7764, Attn: Judy Barger, or any successor named by the Board to establish interest-bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in said affidavits to receive such funds and account to the Board therefore.
 4. Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each person whose interest or claim is subject to escrow and whose address is known.
 5. Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
 6. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 23rd day of Feb, 2007 by a majority
of the Virginia Gas and Oil Board.


Chairman, Benny R. Wampler

DONE AND PERFORMED THIS 26th day of February, 2007 by Order
of this Board.


B. R. Wilson
Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
 COUNTY OF Wise)

Acknowledged on this 23rd day of February, 2007, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Susan L. Lavett
 Notary Public

My commission expires: 12-31-2010.

STATE OF VIRGINIA)
 COUNTY OF Washington)

Acknowledged on this 26th day of February, 2007, personally before me a notary public in and for the Commonwealth of Virginia, appeared B. R. Wilson, being duly sworn did depose and say that he is Principal Executive to the Staff Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Diane J. Davis
 Diane J. Davis
 Notary Public

My commission expires: 9-30-09.

VIRGINIA:***BEFORE THE VIRGINIA GAS AND OIL BOARD***

IN RE: Application of Equitable Production Company, for Forced Pooling of Interests in Unit Number VC-536260 VGOB Docket No. VGOB-06/07/18-1679 in the Ervinton Magisterial District of Dickenson County, Virginia.

AFFIDAVIT OF WILHOIT & KAISER, Attorneys-at-Law, Agents for the Designated Operator REGARDING ELECTIONS, ESCROW ACCOUNTS AND SUPPLEMENTAL ORDER

James E. Kaiser (herein Affiant), being first duly sworn on oath, deposes and says:

1. That the Affiant is an attorney in the law firm of WILHOIT & KAISER, the Agent for the Designated Operator, with offices located at 220 Broad Street, Kingsport, Tennessee 37660, and is authorized to give this Affidavit in its behalf;
2. That the Order entered on November 15, 2006, by the Virginia Gas and Oil Board regarding the captioned coalbed methane Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
3. That within seven (7) days of the receipt of an executed copy of the Order referred to at Paragraph 2. above, the Affiant was directed to cause a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who are added as Respondents at the hearing held in the captioned matter;
4. That the Order of the Virginia Gas and Oil Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date said Order was recorded in the county above named; that said Order was recorded on November 30, 2006.
5. That the Designated Operator, by and through their agent, Wilhoit & Kaiser, Attorneys-at-Law, have established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interest have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to Subject Unit; that the following persons delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day election periods:

NONE

6. That the interest and/or claims of the following persons (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated Operator) are subject to escrow as either unknown claimants or conflicting claimants under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia; that opposite the name of each person named as a Respondent listed below is set forth:

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>NET REVENUE INTEREST</u>
3	Ricky Edison Stevens and Melanie Stevens, H/W 6391 Carter Stanley Highway Coeburn, Virginia 24230	Unleased	0.00012500
	Donna Lynn Stevens Willis and Gary Willis, H/W 209 Stevens Ridge Clinchco, Virginia 24226	Unleased	0.000125
OR			
	Pine Mountain Oil & Gas, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased-EPC 244792L/TC-184	0.00012500
4	Clarence L. Walden and Cathy Walden, H/W 1816 Nealy Ridge Road Clinchco, Virginia 24226	Unleased	0.00011250
OR			
	Pine Mountain Oil & Gas, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased-EPC 244792/TC-184	0.00011250
5	Clarence L. Walden and Cathy Walden, H/W 1816 Nealy Ridge Road Clinchco, Virginia 24226	Unleased	0.00012500
OR			
	Pine Mountain Oil & Gas, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased-EPC 244792/TC-184	0.00012500

7. That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator with regard to their interest and/or claims.

NONE

8. That the following persons have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective interests shall be deemed to have leased pursuant to and in accordance with paragraph 10 of the Order.

<u>TRACT</u>	<u>LESSOR</u>	<u>CASH CONSIDERATION</u>
3	Ricky Edison Stevens and Melanie Stevens, H/W 6391 Carter Stanley Highway Coeburn, Virginia 24230	0.0600 X \$5.00 = \$0.30
	Donna Lynn Stevens Willis and Gary Willis, H/W 209 Stevens Ridge Clinchco, Virginia 24226	0.0600 X \$5.00 = \$0.30
4	Clarence L. Walden and Cathy Walden, H/W 1816 Nealy Ridge Road Clinchco, Virginia 24226	0.0500 X \$5.00 = \$0.25
5	Clarence L. Walden and Cathy Walden, H/W 1816 Nealy Ridge Road Clinchco, Virginia 24226	0.0600 X \$5.00 = \$0.30

That pursuant to the provision of 4VAC 25-160.70C annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed supplemental order sets forth that the services of the Escrow Agent are required in this matter pursuant to the terms of §§ 45.1-361.21.D.

Dated at Kingsport, Tennessee, this 1st day of February 2007.


Affiant

Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of Equitable
Production Company, a corporation, on behalf of the corporation, this 15th day of
February 2007.

My commission expires: 11-12-08

Notary



BK 435PG 246

EXHIBIT "B"
VC-536260
VGOB 06/07/18-1679

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Gas Estate Only</u>				
1 TAX ID # 20265	Pine Mountain Oil & Gas, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased-EPC 241490L/T-16	50.200000%	29.5000
	Equitable Production			
Tract 1 Totals			50.200000%	29.5000
2 TAX ID # 20610	Pine Mountain Oil & Gas, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased-EPC 241490L/T-1	49.410000%	29.0400
	Equitable Production			
Tract 2 Totals			49.410000%	29.0400
3 TAX ID # 3841	Adalee Stevens, Widow 167 Stevens Ridge Clinchco, Virginia 24226	Life Estate		
	Ricky Edison Stevens and Melanie Stevens, H/W 6391 Carter Stanley Highway Coeburn, Virginia 24230	Unleased	0.100000%	0.0600
	Donna Lynn Stevens Willis and Gary Willis, H/W 209 Stevens Ridge Clinchco, Virginia 24226	Unleased	0.100000%	0.0600
	Equitable Production			
Tract 3 Totals			0.200000%	0.1200
4	Clarence L. Walden and	Unleased	0.090000%	0.0500

BK 435PG 247

TAX ID # 18203 Cathy Walden, H/W
1816 Nealy Ridge Road
Clinchco, Virginia 24226

Equitable Production

Tract 4 Totals			0.090000%	0.0500
5	Clarence L. Walden and TAX ID # 18174 Cathy Walden, H/W 1816 Nealy Ridge Road Clinchco, Virginia 24226	Unleased	0.100000%	0.0600
Equitable Production				
Tract 5 Totals			0.100000%	0.0600
TOTAL GAS ESTATE			100.000000%	58.7700

Coal Estate Only

1	Pine Mountain Oil & Gas, Inc. TAX ID # 20265 ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased-EPC 241490L/T-16	50.200000%	29.5000
Equitable Production				
Tract 1 Totals			50.200000%	29.5000
2	Pine Mountain Oil & Gas, Inc. TAX ID # 20610 ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased-EPC 241490L/T-1	49.410000%	29.0400
Equitable Production				
Tract 2 Totals			49.410000%	29.0400
3	Pine Mountain Oil & Gas, Inc. TAX ID # 3841 ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased-EPC 244792L/TC-184	0.200000%	0.1200
Equitable Production				
Tract 3 Totals			0.200000%	0.1200
4	Pine Mountain Oil & Gas, Inc. TAX ID # 18203 ATTN: Jerry Grantham P.O. Box 2136	Leased-EPC 244792/TC-184	0.090000%	0.0500

BK 435PG 248

Abingdon, VA 24212

Equitable Production

Tract 4 Totals			0.090000%	0.0500
5	Pine Mountain Oil & Gas, Inc.	Leased-EPC	0.100000%	0.0600
TAX ID # 18174	ATTN: Jerry Grantham	244792/TC-184		
	P.O. Box 2136			
	Abingdon, VA 24212			
Equitable Production				
Tract 5 Totals			0.100000%	0.0600
TOTAL COAL ESTATE			100.000000%	58.7700

INSTRUMENT #070000368
RECORDED IN THE CLERK'S OFFICE OF
DICKENSON ON
FEBRUARY 27, 2007 AT 03:22PM
JOE TATE, CLERK

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF DICKENSON COUNTY, 2/27, 20 07 This deed was this day
presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 3:22 o'clock PM, after payment of
\$ 0 tax imposed by Sec. 58.1-802.

Original returned this date to:

Diane Davis

TESTE: JOE TATE, CLERK
BY: *Cheryl Baker* D. CLERK